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FISCAL IMPACT STATEMENT

LS 6617

BILL NUMBER: HB 1059

NOTE PREPARED: Feb 20, 2012

BILL AMENDED: Feb 16, 2012

SUBJECT: Military Family Relief Fund.

FIRST AUTHOR: Rep. Baird

FIRST SPONSOR: Sen. Paul

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill extends from one year to three years the time that a service member or a service member's dependent may be eligible to receive assistance from the Military Family Relief Fund (MFRF). The bill requires the Director of the Indiana Department of Veterans' Affairs (IDVA) to annually provide a report to the State Budget Committee concerning the grant program funded from the MFRF.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill may increase the expenditures of the MFRF by extending eligibility for qualified service members and their dependents to receive MFRF assistance payments from one year to three years. Actual increases in expenditures are unknown, but will depend on the number of qualified service members (or dependents of a qualified service member) who petition the Indiana Veterans' Affairs Commission and are approved for assistance from the MFRF after more than one year (but less than three years) after either the qualified service member's active duty ends or the end date of a national conflict is declared. Any request submitted for benefits from the MFRF is subject to the decision of the Indiana Veterans' Affairs Commission as well as availability of funds.

(Revised) The bill requires the Director of the IDVA to provide an annual report to the Budget Committee concerning grants provided from the MFRF. Currently, the IDVA Director provides such a report to the Interim Committee on Military and Veterans' Affairs. This provision is expected to have no fiscal impact.

Background Information: Currently, eligibility for assistance payments from the MFRF ends one year after

a qualified service member's active duty ends or the end date of a national conflict is declared.

As of August 31, 2011, the Indiana Department of Veterans' Affairs (IDVA) reports the MFRF contains approximately \$599,000 available for assistance payments and has awarded \$751,000 to 262 families since the creation of the fund (average assistance amount of \$2,867 per family).

Revenue in the MFRF primarily comes from the sale of the Support Our Troops license plates issued by the Bureau of Motor Vehicles. Additionally, the Veterans' Affairs Trust Fund (VATF) is established as a nonreverting, self-sustaining funding source for the MFRF. Currently, IDVA leadership decides what revenue in the MFRF is transferred to the VATF for investment. The VATF is also supported by sale of the Hoosier Veteran and POW/MIA license plates.

Between January and July of 2011, a total of 50,618 POW/MIA, Hoosier Veteran, and Support Our Troops license plates have either sold or been renewed, yielding approximately \$854,000 in revenue for the MFRF and VATF. As of October 6, 2011, a total of \$4.5 M is invested in the VATF. This amount includes money transferred from the MFRF for investment in the VATF as well as revenue from sales of the POW/MIA and Hoosier Veteran license plates (current and historical).

Table 1: Military License Plate Sales, January 2011 - July 2011.			
Plate (Deposit Fund)	Group Fee	Sales/Renewals	Revenue Collected
Hoosier Veteran (VATF)	\$15	32,898	\$493,470
POW/MIA (VATF)	\$25	1,285	\$32,125
Support Our Troops (MFRF)	\$20	16,435	\$328,700

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Veterans' Affairs.

Local Agencies Affected:

Information Sources: Tom Applegate, IDVA.

Fiscal Analyst: Bill Brumbach, 232-9559.